

## Issue Status Chart: STOLI-Related Legislation and Regulation

(As of **June 23, 2008**)

This issue status chart monitors 2008 legislative and regulatory activity, including a list of 2005-2007 enactments and regulatory information related to Stranger Initiated or Originated Life Insurance (SILI, SOLI, STOLI).

Key issues tracked include:

- NAIC Viatical Settlement Model Act (VSMA) Amendments endorsed by NAIC Life Insurance and Annuities (A) Committee.
- NCOIL Model
- Other STOLI-related bills and regulations, including insurable interest/trustee insurable interest.

Bill text, digest and legislative history are available in ACLI's [Legislative Tracker](#). Proposed and adopted regulations are available in ACLI's [Advance Services](#). [STOLI Alert](#), a newsletter, is also available on the ACLI website. See the accompanying [STOLI map](#) that tracks state-by-state activity related to stranger originated life insurance. Various models are shown including the NAIC Model, NCOIL Model, hybrid combinations of both, as well as legislation introduced by the life settlement industry.

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Updates in **bold**. Legislative and regulatory information no longer active in *italics*.

Bill/Reg Number	NAIC VSMA Amendments	NCOIL Model Deviations	Other	Status/Comments
<b>FEDERAL</b>				
<a href="#">Life Settlement Advisory</a>				Financial Industry Regulatory Authority (FINRA) - (formerly NASD) - issued an alert on the topic.

<b>ALABAMA</b>				
<a href="#">Zero Premium Financing Bulletin</a>			Insurable Interest	On 6/22/07 - The bulletin provides notice that the Insurance Department is now requiring that specific documentation be filed by life insurers contemplating developing or marketing zero premium life insurance, which includes stranger owned life insurance (STOLI).
<i>H. 759</i>		<i>The procurement of new life insurance by persons or entities that lack insurable interest on the insured and, at policy inception, the person or entity owns or</i>		<i>Failed to pass.</i>

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		<i>controls the policy or the majority of the death benefit in the policy and the insured or the insured's beneficiaries receive little or none of the proceeds of the death benefits of the policy.</i>		
S. 534		<i>The procurement of new life insurance by persons or entities that lack insurable interest on the insured and, at policy inception, the person or entity owns or controls the policy or the majority of the death benefit in the policy and the insured or the insured's beneficiaries receive little or none of the proceeds of the death benefits of the policy.</i>		<i>Failed to pass.</i>
S. 318			<i>Insurable Interest</i>	<i>To Senate Econ. Expansion &amp; Trade 3/27/07. Reported favorably 4/3/07. Indefinitely postponed 5/29/07.</i>
H. 362			<i>Insurable Interest</i>	<i>Failed. Died on adjournment.</i>
<b>ARKANSAS</b>				
<a href="#">Directive 1-2005</a>				This bulletin advises life insurers and agents regarding the illegality of "investor-owned" or "investor-initiated" life insurance transactions involving charitable organizations.
<b>ARIZONA</b>				
<a href="#">H. 2513</a>		<i>Intentionally practicing or planning to initiate a life insurance policy for the benefit of a person or entity that lacks an insurable interest and that, at the time of policy origination, has no insurable interest in the insured, is a violation of section 20-1104. Stranger originated life insurance practices include situations in which life insurance is purchased with resources or guarantees from or through a person or entity that, at the time of policy inception, could not lawfully initiate the policy himself or itself, and if, at the time of policy inception, there</i>		<i>Signed by the governor 5/23/08. Effective 90 days after adjournment. Chapter No. 240</i>

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		<i>is an agreement to directly or indirectly transfer the ownership of the policy or the policy benefits to a person or entity that lacks an insurable interest. Trusts that are created to give the appearance of insurable interest and that are used to initiate policies for the benefit of investors with no insurable interest violate section 20-1104 and the prohibition against wagering on life. Intentionally practicing or planning does not include a policy holder's lawful assignment of the insured's life insurance policy.</i>		
<b>CALIFORNIA</b>				
A. 1583			Viatical Settlement provisions	Intro. 2/23/07. To Assembly Bank & Finance & Judiciary; read second time and amended 3/29/07.
S. 1224		"Stranger-originated life insurance" or "STOLI" is an act, practice, or arrangement to initiate a life insurance policy for the benefit of a third-party investor who, at the time of policy origination, has no insurable interest in the insured.		<p>The Senate Banking and Insurance Committee has scheduled a 2/20 hearing on the subject of STOLI and insurable interest. Sen. Mike Machado, Chair of the committee is expected to introduce legislation following the hearing.</p> <p>As amended, would reflect many provisions of the NCOIL model and also closes some loopholes in the securities laws. Hearing held 4/16 in the Senate Banking and Insurance Committee; came out of committee. Sen. Machado has mtg. on 4/24.</p> <p>Passed the Senate 5/29/08; sent to the Assembly. Referred to Assembly Committees on Insurance and Banking and Finance 6/12/08.</p>
<a href="#">Viatical Settlement</a>				CA Department of Insurance provides consumer alert on topic.

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<b>CONNECTICUT</b>				
<a href="#">H. 5512</a>		"Stranger-originated life insurance" means a practice or plan to initiate a life insurance policy for the benefit of a third-party investor who, at the time of policy origination, has no insurable interest in the insured.		<i>Signed by the governor 6/12/08. Enrolled Public Act No. 08-175</i>
<i>S. 316</i>	Yes			<i>Failed Joint Favorable deadline 3/13/08.</i>
<i>S. 1351</i>	Yes	<i>Contains some drafting deviations from VSMA</i>		<i>To Joint Cmte. on Ins. and Real Est. 2/27/07. Failed Joint Favorable deadline 3/15/07.</i>
<b>DISTRICT OF COLUMBIA</b>				
Bill No. 17-294	No	This bill is significantly different from the recently adopted NAIC Viatical Settlements Model Act and does not contain, among other things, a five year ban on settlements of policies with characteristics indicative of a STOLI transaction. The ACLI has met on several occasions with the Insurance Commissioner and staff regarding Viatical Settlements/STOLI and will once again advise the Department of the insurance industry's concerns. ACLI anticipates meeting with the chair of the legislative insurance committee.		Bill No. 17-294, titled "Viatical Settlements Licensing Model Act of 2007," was introduced in July 2007.  Introduced and sent to Council Committee on Public Service and Community Affairs 7/6/07.
<b>FLORIDA</b>				
<a href="#">H. 375</a>			<i>Insurable Interest Contract</i>	<i>Failed to pass.</i>
<a href="#">S. 648</a>			<i>Insurable Interest</i>	<i>Signed by governor 5/28/08. Filed as Chapter No. 36.</i>
Proposed Regulation 690-204.010+ Proposed Regulation 690-204.101				On 1/17/08, ACLI attended public hearing held to consider proposed regulation 690-204.010+ regarding viatical settlements and proposed regulation 690-204.101 regarding disclosure to viator of disbursement. The viatical settlements

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				proposed regulation further implements the current viatical settlement statute and would create new definitions and expand the annual reporting data required of life settlement companies to the office of insurance regulation. It would prohibit life settlement providers from also acting as life settlement brokers in the same viatical settlement. The proposed disclosure regulation requires that viatical settlement providers provide the viator with disclosure statements about the disbursement of funds. Life settlement spokesmen at the hearing protested that the proposed 690-204.010+ viatical settlements regulation exceeded the authority granted by the statute and that the expanded annual reporting requirements basically required the disclosure of trade secrets that would not be subsequently subject to trade secret protection
<b>GEORGIA</b>				
S. 499		<i>'Stranger originated life insurance' is a practice or plan to initiate a life insurance policy for the benefit of a third party investor who, at the time of policy origination, has no insurable interest in the insured.</i>		<i>Failed to pass.</i>
<a href="#">Zero Premium Financing</a>				GA Department of Insurance has opened investigation to determine violations of Zero Cost, No Cost, No Premium or Zero Premium sales and advertising.
<b>HAWAII</b>				
<a href="#">H. 94</a>		"Stranger-oriented life insurance" or "STOLI" means the procurement of new life insurance by persons or entities that lack insurable interest on the insured and, at policy inception, the person or entity owns or controls the policy or the majority of the death benefit in the policy and the insured or insured's beneficiaries receive little or none of the proceeds of the death benefits of the policy.		NCOIL Model  <b>Signed by governor 6/16/08. As enacted, creates the Stranger-Originated Life Insurance model using the NCOIL definition of STOLI. Requires fee of \$75 for issuance of Life settlement contract provider's license and for issuance of life settlement contract broker's license. The insurance commissioner shall submit annual reports to the legislature at least 20 days prior to the convening of the regular sessions of 2009 and 2010. The Act shall be</b>

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				<b>repealed two years from the date of its approval (June 16, 2010). Effective 6/16/08.</b>
H. 3099	Yes			Failed to pass.
S. 3021	Yes			Failed to pass.
S. 3246		Deviations with two-year rule and definition of STOLI		Failed to pass.
<b>IDAHO</b>				
<a href="#">Bulletin 07-03</a>				Issued 4/2/07: Idaho's insurable interest law requires that a life insurance policy owner have a "lawful and substantial economic interest" in having the life of the insured continue, as opposed to an interest that would be enhanced by the insured's death.
<b>ILLINOIS</b>				
H. 4941	Yes			<p>Would create the Viatical Settlements Act of 2008 providing for regulation of viatical settlement providers, brokers, and life insurance producers. Would provide for licensure, suspension, denial, nonrenewal, or revocation of a license. Would be substantially similar to the NAIC Model.</p> <p>Introduced and referred to House Rules 2/13/08. Sent to House Insurance Committee 2/25/08. Amendments one and two adopted in House Committee on Insurance 3/11/08. The first amendment is essentially the bill as is, while the second amendment would prohibit the department from promulgating rules. Placed on Short Debate Calendar 3/12/08. 3rd Reading/Final Action Deadline Extended to 05/09/08. Final Passage Deadline Extended to 05/23/2008.</p> <p>On 5/28, interested parties met with Senator Haine, Rep. Mautino, and Director McRaith on possible amendments to HB 4941 which is based on the NAIC Viatical Settlements Model Act. Since the session is expected to adjourn this week, Rep. Mautino indicated that this issue will have to wait until the "veto session" after the November election as there</p>

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				are numerous outstanding issues to resolve. In the interim, the ACLI will continue to work closely with the Illinois Life Insurance Council, NAIFA-Illinois, the domestic industry, the Division of Insurance, and key legislators in pursuing a strong anti-STOLI bill.
S. 2237			<i>Insurable Interest</i>	<i>Died in Committee.</i>
S. 2358	No	"Stranger-Originated Life Insurance" or "STOLI" is the is a practice or plan to initiate a life insurance policy for the benefit of a third party investor who, at the time of policy origination, has no insurable interest in the insured.		<p>Would create the Life Settlements Act providing for regulation of providers and brokers who enter into life settlement contracts. Would provide for licensure, suspension, denial, nonrenewal, or revocation of a license. Would establish guidelines for life settlement contracts. Would be substantially similar to the NCOIL Life Settlements Model Act.</p> <p>Discussions continue on STOLI legislation as amendments have been offered to both SB 2358 (NCOIL Model) and HB 4941 (NAIC Model). While extensions have been filed with both bills, ACLI is hopeful that a resolution will be achieved by the end of May.</p> <p>Introduced and referred to Senate Rules Committee 2/14/08. Sent to Senate Insurance Committee; Amendment 1 filed 3/5/08. Amendment 1 sent to Rules; Do pass from Insurance Cmte. Placed on Calendar for 2nd reading 3/13/08; for 3rd reading 4/16/08.</p>
<a href="#">Consumer Alert: Stranger-Originated Life Insurance</a>				The Illinois Division of Insurance has issued an "alert" advising consumers to proceed with caution when considering a stranger originated life insurance (STOLI) arrangement. The <a href="#">Notice</a> by the Division describes the different types of STOLI arrangements and how they are presented to consumers.
<b>INDIANA</b>				
H. 1248	No	<i>Prohibits all STOLI transactions but does not include language from the pending NAIC Model.</i>		<i>Failed. Died on adjournment.</i>

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H. 1379		"Stranger originated life insurance" means a practice or plan to initiate a life insurance policy for the benefit of a third party investor who, at the time the life insurance policy is originated, has no insurable interest in the insured.		Signed 3/21/08; Effective 7/1/08. Public Law No. 112.
<b>IOWA</b>				
<a href="#">H.S.B. 736</a>				Died in Committee.
<a href="#">S. 2385</a>		"Stranger-originated life insurance" means a practice or plan to initiate a life insurance policy for the benefit of a third-party investor who, at the time of policy origination, has no insurable interest in the insured.		Failed to pass.
S. 2392	No	"Stranger-originated life insurance" means a practice or an act to initiate a life insurance policy for the benefit of a third-party investor who, at the time of policy origination, has no insurable interest in the insured.		Formerly Study bill 3238. Signed by the Governor on 5/10/08. Regulates viatical settlements following the hybrid NAIC and NCOIL model. Effective 7/1/08.
<b>KANSAS</b>				
H. 2110		"Stranger-originated life insurance" means an act, practice or arrangement to initiate a life insurance policy for the benefit of a third party investor who, at the time of policy origination, has no insurable interest in the insured under K.S.A. 40-450 and amendments thereto.		Signed by governor 4/21/08. This act shall take effect and be in force from and after its publication in the statute book.
S. 601	No	"Stranger-originated life insurance" is the procurement of new life insurance by persons or entities that lack insurable interest on the insured and, at policy inception, such person or entity owns or controls the policy or the majority of the death benefits in the policy and the insured or the insured's beneficiaries receive little or none of the proceeds of the death benefits of the policy.		Failed to pass.



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S. 624		"Stranger-originated life insurance" means a practice or a plan to initiate a life insurance policy for the benefit of a third party investor who, at the time of policy origination, has no insurable interest in the insured under K.S.A. 40-450 and amendments thereto.		Failed to pass.
<a href="#">Consumer Alert</a>				2/14/08: Commissioner warns residents to review arrangements, call the DOI, and confirm agent is legitimate and licensed.
<b>KENTUCKY</b>				
H. 348		"Stranger-originated life insurance" or "STOLI" means the procurement of new life insurance by persons or entities that lack insurable interest on the insured and, at policy inception, such person or entity owns or controls, or has an arrangement or agreement to own or control, the policy or the majority of the death benefit in the policy and the insured or insured's beneficiaries receive little or none of the proceeds of the death benefits of the policy.		Signed by the governor 4/9/08. Effective 7/15/08. Act No. 32
<b>LOUISIANA</b>				
S. 247	No	"Stranger-Originated Life Insurance" is a practice or plan to initiate a life insurance policy for the benefit of a third party investor who, at the time of policy origination, has no insurable interest in the insured regardless of the terms or phrase used to describe this practice.		Failed to pass.
S. 380	No	"Stranger-Originated Life Insurance" is a practice or plan to initiate a life insurance policy for the benefit of a third party investor who, at the time of policy origination, has no insurable interest in the insured regardless of the terms or phrase used to describe this practice.		Same as S. 247.  Introduced in the Senate Insurance Cmte. 3/31/08. The commissioner will offer an amendment in committee to adopt the NAIC's 5-yr. standard. Will not continue to pursue the bill any further; and will continue with a bulletin this summer.

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<a href="#">Bulletin No. 06-05</a>			Insurable Interest	Issued September 5, 2006
<b>MAINE</b>				
H. 1477 LD 2091		"Stranger-originated life insurance" means an act or practice to initiate a life insurance policy for the benefit of a person who, at the time of the origination of the policy, has no insurable interest in the insured.		Filed as LD 2091.  Signed by the governor 4/2/08. Effective 7/15/08. Public Law No. 543
<b>MARYLAND</b>				
S. 300			Insurable Interest	Became Law without the Governor's signature- 5/26/06; Chapter No. 516
<b>MASSACHUSETTS</b>				
<a href="#">H. 932</a>			Viatical and Life Settlement Study Bill	Would establish a commission made up of public and private members to study the effect of investor-initiated life insurance and its impact on the citizens of Massachusetts, report on the laws establishing and protecting consumers of life insurance, including prohibitions against wagering in life insurance, insurable interest laws, and viatical and life settlement laws, and also the underlying property rights of life insurance, including consumer protections found in unfair trade practices and unlawful discrimination laws, and ultimately to develop recommendations on regulatory and legislative actions to protect consumers. In Joint Committee on Financial Services: Set aside H1052 for Study 3/19/08. From Joint Cmte. on Financial Svs: accompanied Study Order H 4666.
H.1052	Yes			Would repeal the existing viatical settlements law and reenact a measure that conforms in material respects with the most recent changes made to the NAIC Model Act. Would repeal the existing viatical settlements law and reenact a measure that conforms in material respects with the most recent changes made to the NAIC Model Act. To Joint Cmte. Fin. Svcs 1/10/07. In Joint Committee on Financial Services: Set aside for Study 3/19/08.

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<b>MINNESOTA</b>				
<i>H. 3534</i>				<i>Failed to pass.</i>
<i>H. 3878</i>				<i>Failed to pass.</i>
<i>S. 3063</i>				<i>Failed to pass.</i>
<i>S. 3495</i>				<i>Failed to pass.</i>
<b>MISSOURI</b>				
STOLI Interim Cmte. Study				<p>The Senate has established an Interim Committee on Consumer and Financial Protection that will study several issues including if current practices regarding STOLI are designed to ensure that life insurance is used to protect the long-term interest of all parties associated with the insured. The Committee shall issue a report no later than January 26, 2008.</p> <p>On September 11, ACLI testified in support of the NAIC Model and gave the committee the Business Week magazine with the STOLI expose and a packet of information about what other states have done concerning STOLI. The committee adjourned with the possibility of more hearings this fall before a committee report is written.</p>
<b>NEBRASKA</b>				
<a href="#"><u>L. 853</u></a>				<i>Signed by governor on 4/17/08. Effective 3 calendar months after adjournment.</i>
<b>NEW YORK</b>				
A. 7265			Viatical Settlement	<p>This is a "placeholder" based on last session's bill, A.8785C/S.8463. This legislation will give way to the Department's bill once the Department has decided on which way it wants to go with legislation pertaining to STOLI.</p> <p>To Assembly Cmte. on Ins. 4/4/07.</p>

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A. 10401		NCOIL with no 5-yr moratorium; strong prohibited practices; strong STOLI definition		(Same as S. 7356) Introduced and sent to Assembly Insurance Committee on 3/27/08.
S. 319			Viatical Settlement	Would provide for a new statutory framework to regulate life settlements and the licensure of life settlement brokers. Would provide for life settlement fraud and for premium finance agreements. Would repeal Act 78 of the insurance law relating to viatical settlements.
S. 5447			Viatical Settlement	To Senate Cmte. on Ins. 4/25/07.
S. 7356		NCOIL with no 5-yr moratorium; strong prohibited practices; strong STOLI definition		(Same as A. 10401) Introduced and sent to Senate Insurance Committee on 4/2/08.
S. 8007			Viatical Settlement	Would provide for viatical settlements by repealing regulations on the transfer of death benefits for terminally ill persons. Would provide for licensing, fraud prevention, and prosecution. Introduced to Senate Insurance Committee 4/28/08.
<a href="#"><i>Opinion No. 06-03-12</i></a>			<i>Insurable Interest</i>	<i>March 16, 2006</i>
<a href="#"><i>Opinion No. 06-09-20</i></a>			<i>Insurable Interest</i>	<i>Issued 9/28/06.</i>
<a href="#"><i>NY Opinion No. 05-12-15</i></a>				<i>December 19, 2005</i>
<b>NORTH CAROLINA</b>				
S. 818			Viatical Settlement Providers/Brokers	To Senate Jud. Cmte 3/15/07. Measure to be carried over.

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H. 1489			Viatical Settlement Definition	Intro. and sent to House Insur. Cmte. 4/17/07. Cmte. substitute adopted 5/23/07. Passed the House 5/24/07. Sent to Senate Commerce, Small Business and Entrepreneurship 5/29/07. Measure to be carried over.
<a href="#">Department's Caution to Agents and Producers</a>				[Advisory on NC website; under Agents Services Division – Attention to Agents and Producers; not a bulletin]  NC Department of Insurance provides cautionary website announcement until product and company advertising services can be identified.
<b>NORTH DAKOTA</b>				
S. 2268	Yes			<i>Signed by Governor 4/9/07. Effective 8/1/07.</i>
<b>OHIO</b>				
<a href="#">H. 404</a>	Yes	"Stranger-originated life insurance," or "STOLI," means a plan or agreement that provides for both of the following at the time of the origination of a life insurance policy.		<b>Signed by governor 6/11/08. Effective 9/9/08.</b>
<a href="#">Consumer Alert - STOLI</a>				The Ohio Department of Insurance advises consumers to proceed with caution when considering participation in a "Stranger/Investor Originated Life Insurance" (STOLI) life settlement arrangement.
<b>OKLAHOMA</b>				
S. 565		Trailer bill to S. 1980		<i>Signed by the governor on 6/2/08. Effective 11/1/08. Chapter No. 344</i>
<a href="#">S. 1980</a>	Yes	<i>The NAIC 5-year prohibition has been reduced to two years, and the NCOIL definition of STOLI, along with key NCOIL STOLI provisions have been added. Additionally, the bill contains an amendment to the Oklahoma insurable interest law addressing the use of trusts, fashioned after the Virginia and Maryland insurable interest laws.</i>		<i>Signed by the governor on 5/15/08. Effective November 1, 2008. Chapter No. 183</i>

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<i>S. 2008</i>			<i>Insurable Interest</i>	<i>Missed the legislative deadline for being reported out of committee of origin and is considered failed.</i>
<i>S. 2102</i>			<i>Insurable Interest</i>	<i>Failed to pass.</i>
<b>OREGON</b>				
<i>S. 663</i>			<i>Legislative study on viatical settlements</i>	<i>Failed. Died on adjournment.</i>
<b>PENNSYLVANIA</b>				
<a href="#">Viatical Settlements Guide</a>				PA Dept. of Insurance provides consumer guidelines and note of caution.
<b>RHODE ISLAND</b>				
<a href="#">H. 7442</a>		"Stranger-originated life insurance" or "STOLI" is a practice or plan to initiate a life insurance policy for the benefit of a third-party investor who, at the time of policy origination, has no insurable interest in the insured.		NCOIL model. Similar to S. 2603.  Introduced and sent to House Committee on Corporations 2/13/2008. Scheduled for hearing and/or consideration; Committee recommends measure held for further study 3/26/08. <b>Both the House and Senate passed bills on 7/21 that essentially follow the NCOIL Life Settlements Model Act. Both bills will soon go to the Governor for his approval.</b>
<a href="#">S. 2603</a>		Stranger-originated life insurance" or "STOLI" is a practice or plan to initiate a life insurance policy for the benefit of a third-party investor who, at the time of policy origination, has no insurable interest in the insured.		Similar to H. 7442.  Would enact the NCOIL Viatical Settlements Model Act 2/26/08. Committee on Corporations recommends measure to be held for further study.

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<b>SOUTH CAROLINA</b>				
H. 4219			Viatical Settlement	On January 17 and 18, ACLI met with legislators, legislative staff and Insurance Director Scott Richardson to discuss advancing <a href="#">H. 4219</a> by Rep. Cato that would incorporate the NAIC's recently updated Model Viatical Settlements Model Act. Director Richardson was very supportive and pledged that he would encourage the South Carolina Assembly to adopt the Act. The bill was introduced at the end of last year's regular session and is a carry-over bill for consideration in 2008.
<b>TENNESSEE</b>				
S. 3767			Charitable Organizations Insurable Interest	<i>Signed by Governor; Chapter No. 593: 05/04/06</i>
<b>TEXAS</b>				
Advertising, Registration and Name Usage Requirements for Viatical and Life Settlement Providers and Brokers <a href="#">Bulletin B-0026-07</a>			Viatical Settlement	On 6/29/07, the Department of Insurance issued Commissioner's <a href="#">Bulletin #B-0026-07</a> directed at viatical and life settlement providers, provider representatives, and brokers and sets forth advertising, registration and name usage requirements. The bulletin emphasizes that all advertising, in the form of printed materials, video and audio presentations, prepared sales presentations, telephone scripts, solicitations and letters, billboards, radio and television, proposals, and Web sites, must be filed with the Department on or before the date they are used. Additionally, the bulletin directs persons conducting business as a life or viatical settlement provider, provider representative, or broker in Texas to file a completed application for a certificate of registration with the Department. Lastly, the bulletin reiterates the requirement that viatical and life settlement providers must adhere to statutes and rules governing names used in the viatical or life settlement business, including the requirement that name lists or copies of assumed name certificates

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				must be filed with the Department. ACLI issued a July 6 <a href="#">press release</a> lauding the Texas Department's initiative to monitor STOLI transactions.
<b>UTAH</b>				
<a href="#">Bulletin 2006-3</a>			<i>Insurable Interest</i>	<i>Issued 7/10/06.</i>
<b>VERMONT</b>				
<i>H. 819</i>				<i>Failed to pass.</i>
<a href="#">Zero Cost Insurance</a>				Investigation of Internet advertising of zero cost insurance coverage.
<b>WASHINGTON</b>				
<a href="#">S. 6631</a> <a href="#">H. 3067</a>		"Stranger-originated life insurance" is a practice or plan to initiate a life insurance policy for the benefit of a third-party investor who, at the time of policy origination, has no insurable interest in the insured.		Legislation adopting the NCOIL Life Settlements Model Act has been introduced in both houses: <a href="#">S. 6631</a> in the Senate and <a href="#">H. 3067</a> in the House. A hearing on the Senate bill is scheduled for January 30 at 3:30 pm PST in the Senate Financial Institutions and Insurance Committee, with House hearings on H. 3067 to follow the next day at 1:30 in the House Financial Services, Insurance and Consumer Protection Committee. Coventry First has proposed amendments to the bills that would significantly diverge from the NCOIL model. The Department of Financial Institutions is expected to propose to propose minor technical amendments.  H. 3067 approved by Fin. Svcs. Cmte 2/5/08. Interim mtgs. are being convened. Next mtg. on 4/23 to draft legislation for next year.



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Anticipated legislation				Sen. Jean Berkey, Chair of the Senate Financial Institutions and Insurance Committee, convened her third and final interim meeting on draft STOLI legislation for introduction in 2009. ACLI, NAIFA, domestic insurers, the OIC and representatives of the life settlement industry reviewed a third round of requested amendments proposed by Coventry First and ILMA. It appears that agreement has been reached to use the Kansas definition of STOLI. However, at the request of Senator Berkey and the OIC, the bill includes a disclosure provision triggered when a senior or chronically ill insured receives a lapse notice. ACLI was successful in stripping out of the bill a Coventry provision limiting the ability of insurers to contract with their agents. In lieu of that provision, language will added to clarify that insurers may not prohibit agents from the disclosing the availability of a life settlement or prohibit the lawful assignment of a policy.
<b>WEST VIRGINIA</b>				
H. 4618		"Stranger-originated life insurance" or "STOLI" means a plan or agreement that provides for both of the following at the time of the origination of a life insurance policy.		2/25/08: Passed the 1st and 2nd readings. Tabled 2/27/08.
S. 704				Signed by governor 3/13/08. Effective 5/29/08.
<b>WYOMING</b>				
Anticipated legislation				Mtg. with Insurance Department in late May. Joint Interim Committee hearing expected over summer to discuss 2009 legislation.